

# **NEW HAMPSHIRE STATE LIQUOR COMMISSION**

## **MINUTES OF MEETING – AUGUST 29, 2002**

**PRESENT:** Chairman John Byrne and Commissioner Anthony Maiola; John Bunnell, Administrator of Marketing & Sales; Craig Bulkley, Bureau Chief of Administrative Services; Howard Roundy, Director of Information Technology; Peter Engel, Director of Store Operations; Richard Gerrish, Spirits Marketing Specialist; Nicole Horton, Wine Marketing Specialist; Al Picconi, United Beverages, Inc.; Michael Goclawski, Law Warehouse

**EXCUSED:** Commissioner Patricia Russell

### **I. FINANCIAL & ADMINISTRATIVE REPORTS**

#### **1. Financial Reports**

##### **A. Weekly, Y-T-D Sales Reports:**

The SA1000 report for the week ending August 25, 2002 shows retail sales were down –1.03%, on-premise sales were up 3.84%, off-premise sales were up .98%, and total aggregate sales were up almost .14%. The traffic count decreased by 10,018, while the average sale increased \$1.51.

The W-1 Total Weekly Sales Report confirms total sales for the week increased by .14% or \$10,059, and also increased for the year by 6.17% or \$3,431,753. Wine sales were up 4.45% or \$137,463 for the week, as they were for the year by almost 13% or \$3,018,546. Sales of spirits decreased by -3.4% or (\$149,318) for the week, but increased year-to-date by 2.5% or \$819,896.

##### **B. Budget Reports:**

Concerning outstanding depletions and post-off balances owed, there is currently only one broker in arrears, who has promised to bring in a check either today or tomorrow.

The asbestos project will probably begin the week of September 9<sup>th</sup>. Craig will let everyone know by e-mail when work is being done which may cause slight disruptions. Work in the boiler room should have no effect on office personnel.

Ameresco has hired a company to come into headquarters next Tuesday morning to inspect air flow throughout the building to identify trouble spots. They will hopefully have some suggestions as to how those can be alleviated.

The latest W-6 Expense Budget Activity Variance Report shows the year to be at 15.89% completed, with total agency expenditures standing at about 18%.

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There are some slight spikes where a few expenses were free loaded, but nothing else of concern.

Eight bids were received for the credit card RFP, two of which will probably be rejected for not following format. The review committee will meet tomorrow to review the bids.

2. IT Reports

Howard explained the contents of a written report regarding the status of testing for the conversion. Completion is behind, with the best projected date being September 25<sup>th</sup>. There was discussion as to how month-end would effect this. Chairman Byrne asked that Marketing and Accounting calendars be synchronized to avoid confusion. He mentioned that these calendars are apparently affecting broker's commissions. Since the end of this month falls on the 22<sup>nd</sup>, Howard said he would like to close the month first and begin on the 25<sup>th</sup>. Then the whole new month is available to solve any problems which might arise.

Howard also mentioned that he thought licensee shipping could be out of Law by the end of September, unless the Commission wanted breakage to be done first.

**II. MARKETING & SALES REPORTS**

1. Store Operations

Total store sales were down for the week ending August 25, 2002 3% or (\$8,857.49).

The new location for Store #14 Rochester, fully stocked and with displays up, opened this past Monday. When Tom Smith returns to work next Wednesday, Peter said they will discuss closing the Peterborough store for two to three days during which time the roof will be replaced.

2. Warehouse Report

There was nothing of significance to report regarding this week's warehouse report.

3. Purchasing Report

John reported that Grey Goose Vodka is now back in stock.

4. Merchandising Report

Rick Gerrish distributed information regarding results of the Summer of Savings program. The majority of the featured products experienced increased sales. The drawing for the Volkswagen Beetle will take place at Sweepstakes on September 12<sup>th</sup>.

A. SPIRITS:

1) Special Offers for the Month of October 2002:

a. 4 items – Pine State Trading Company:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve special offers from Pine State Trading Company, based upon depletions of four (4) spirit items, to be featured on sale during October 2002, as recommended by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

B. WINES:

1) New Wine Product Listings:

a. 4 items – United Beverages, Inc.:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve a request from United Beverages, Inc. for general distribution of the following four (4) 750ML size wine items, each of which have earned at least \$6,500 during a twelve-month period, the majority of which have been in the retail and on-premise markets, to be initially distributed to Cluster 1 and 2 stores, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales: Code #27146, Codice Rioja Srta Cntbria Red; Code #27361, Borsao Camp de Borja Red; Code #29078, Abadia Retuerta Rivola Red; and Code #32454, Vina Alarba Camp Calaty. The motion was unanimously adopted.

- b. 7 items – Pine State Trading Company:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve a request from Pine State Trading Company for general distribution of the following seven (7) wine items, each of which have earned at least \$6,500 during a twelve-month period, the majority of which have been in the retail and on-premise markets, to be initially distributed to Cluster 1 and 2 stores, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales: Code #33035, Chardonnay Cape Indaba So. Africa, 750ML; Code #33055, Sauvignon Blanc Cape Indaba So. Africa, 750ML; Code #33578, Pinot Grigio Tommasi Le Rosse, 750ML; Code #35666, Chardonnay Redwood Creek Cal., 1.5L; Code #35668, Merlot Redwood Creek Cal., 1.5L; and Code #33872, Merlot Bella Serra Del Venezie, 1.5L. The motion was unanimously adopted.

- 2) Revised Schedule for Wine Tastings:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve a revised schedule of that previously approved for wine tastings during 2002 and 2003, which include three additions and one change, as recommended by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- 2) Primary Source Submissions (1 item exclusive agent; 5 items – imported):

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve the listing of one (1) wine code which is not from primary source, but is offered by the exclusive marketing agent, and five (5) wine codes which are not from primary source, but are imported, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- 3) Tabled Item – Floor Adjustment for 1999 Bordeaux (tabled from 8/8/02, Item B-2):

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that this item be removed from the table, and that the Commission approve three (3) 1999 Bordeaux offered by Martignetti Companies of N.H., as “Recommended Allocated and Restricted Wines for Distribution to Selected Stores, as recommended by Nicole

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Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

**III. ENFORCEMENT & LICENSING REPORTS – None.**

**IV. CHAIRMAN'S REPORT & LATE ITEMS**

1. Bailment Requests:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve previously reviewed requests for bailment releases/transfers dated August 23 through August 29, 2002. The motion was unanimously adopted.

2. Coupon Approvals:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve previously reviewed coupon (pad, necker and consumer offer) requests effective for the month of September 1, 2002. The motion was unanimously adopted.

3. Late Items: None.

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John W. Byrne, Chairman

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Anthony C. Maiola, Commissioner

/D. Hartford

